

UTILITIES SERVICE BOARD MEETING
September 5, 2006

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, John Whitehart, Julie Roberts, Susan Sandberg and Sam Vaught. Staff members present: Patrick Murphy, John Langley, Mike Hicks, Mike Trexler, Michael Horstman and Vickie Renfrow. Others present: Emily Thickstun representing the Herald Times, Mark Menefee representing Indiana University, Ben Beard representing Gentry Estates and Margaret Menefee representing the Libertarian Party.

MINUTES

BOARD MEMBER VAUGHT MOVED AND BOARD MEMBER ROBERTS SECONDED THE MOTION TO APPROVE THE MINUTES OF THE AUGUST 21, 2006, MEETING. MOTION CARRIED. 5 AYES, 2 MEMBERS ABSENT, (HENKE AND EHMAN).

CLAIMS

BOARDMEMBER VAUGHT MOVED AND BOARDMEMBER ROBERTS SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0691227 THROUGH 0691321 INCLUDING \$168,091.44 FROM THE WATER OPERATIONS & MAINTENANCE FUND, \$39,710.13 FROM THE WATER CONSTRUCTION FUND AND 200.00 FOR WATER HYDRANT METER RENTAL FOR A TOTAL OF \$208,001.57 FROM THE WATER UTILITY; CLAIMS 0630804 THROUGH 0630860 INCLUDING \$178,593.61 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND AND \$6,098.80 FROM THE WASTEWATER CONSTRUCTION FUND FOR A TOTAL OF 184,692.41 FROM THE WASTEWATER UTILITY; AND CLAIM 0670057 FOR A TOTAL OF \$381.30 FROM THE WASTEWATER/ STORMWATER UTILITY. TOTAL CLAIMS APPROVED – \$393,075.28.

MOTION CARRIED. 5 AYES, 2 MEMBERS ABSENT, (HENKE AND EHMAN).

Board members Henke and Ehman arrived at this time.

REQUEST FOR AUTHORIZATION TO CLOSE ON SALE OF PROPERTY TO W.R. DUNN:

Attorney Renfrow from the City of Bloomington Legal Department reminded the USB that in February she had informed the Board about a property at Lake Lemon that is owned by W.R. Dunn. There is a parcel of property owned by the Utilities Department to the South of Mr. Dunn's property. The piece owned by Utilities causes Mr. Dunn's property to be land locked. Because of this Mr. Dunn would like to acquire the small piece of property that belongs to Utilities so that he will have access to North Shore Drive. This property has very little value to the Utilities Department. It wouldn't be suitable for building on and is outside the Lake Lemon Conservancy District. The USB had told Ms. Renfrow to proceed with the necessary steps to sell the property. Mr. Dunn had a survey and legal description of the property made. It was 1.1 acres but part of that is encumbered as the right of way for North Shore Drive. That leaves about .7 or .8 acres of unencumbered property. Ms. Renfrow had a notice

printed in the Herald Times consistent with the requirements of the governing statute. It was published twice and certified letters were sent to all the abutting property owners. The statute allows for the price to be set at the low value for the property plus certain extra costs such as publishing the notice and preparing and sending the certified letters plus about \$750 in legal services. The offer price was \$4,752.50. The deadline for offers was August 25th. Only one offer was made and that came from W.R. Dunn. At this time, if the USB authorizes this transaction Ms. Renfrow will prepare and execute a deed which will allow her to receive a certified check from Mr. Dunn completing the transaction.

BOARD MEMBER EHMAN MOVED AND BOARD MEMBER SANDBERG SECONDED THE MOTION TO AUTHORIZE THE SALE OF PROPERTY TO W.R DUNN FOR \$4,752.50. MOTION CARRIED. 7 AYES.

OLD BUSINESS:

Board member Henke thanked Utilities Director Murphy for sending him more detailed information about the insurance settlements for the burned building. He asked that the information be sent to the rest of the USB. The Utility has received \$1,949,241.18 and Risk management in negotiations with the Utility insurer, Hylant, has arranged for St. Paul to pay \$269,741.00 in replacement value when the new building is done.

Board member Vaught asked if there hadn't originally been two components to the settlement. One for the replacement cost of the building and one for the expenses for the temporary space. He wanted to know if the insurance values provided by Mr. Murphy reflected both components. Mr. Murphy said that he believed that was true but he would verify it.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Assistant Director of Finance Horstman gave an update on the process for filing liens. He said that at the time that he was hired by the Utilities Department the last liens had been filed in March of 2005. He has filed liens from that time until April of 2006. The process that is followed starts with a customer with a delinquent account receiving a letter giving them 30 days to pay their bill. Because most of the delinquent accounts are so old now there was not much response to this letter. Most people had moved away. Then the land owner is sent a pre-lien letter that gives them 30 days to pay before a lien is filed against their property. Out of 480 letters that were sent 270 land owners paid a total of \$26,110. In many of the cases where the land owner did not respond it was due to incorrect information or the filing of bankruptcy. After the 30 days liens are filed. So far 125 have been filed resulting in the collection of \$12,551.44. Another 712 accounts have been sent to the collection agency. If there is a new land owner a lien cannot be filed against them. The collection agency attempts to collect from the tenant. May and June of 2006 are currently being worked on. These are accounts that no longer have service either because it has been cut off or because it has been terminated by the customer. As they become delinquent these accounts start the lien process. Once a lien has been filed another certified letter is sent to the land owner informing them.

Board President Swafford asked if once these are caught up they would stay caught up. Mr. Horstman replied that they would.

Board member Roberts asked what the fees for filing the liens are. Mr. Horstman said that there is an \$11 filing fee and a \$12 fee to release the lien, then there is an additional \$15 fee to have it recorded in the Recorder's Office and Utilities adds a \$5 fee.

Board member Henke said that he had been the recipient of a pre-lien letter. In his case it was a matter of former tenants who had moved on. He was surprised to discover that in each case Utilities had the tenant's new address and they had moved elsewhere in Bloomington. He assumed that they are using water at their new location and wondered if there is a process for identifying them. Mr. Horstman replied that if they have a delinquent account in their name they are not allowed to open a new account. Probably the water is in someone else's name in these cases.

PETITIONS AND COMMUNICATIONS:

Board member Vaught asked about the current audit. Assistant Director of Finance Horstman said that as far as he knows the Utilities part of the audit is done. He thought the State Board of Accounts might still be working on the Civil City audit. Mr. Vaught asked how much lead time Utilities will be given before the exit interview. Mr. Horstman replied that he believed it would be about 10 days.

Board President Swafford informed the USB that a special meeting might be called in the following week to award the contract for the new building.

ADJOURNMENT:

The meeting was adjourned at 5:24 p.m.

L. Thomas Swafford, President